



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

**Cedar City Field Office**  
176 East DL Sargent Drive  
Cedar City, UT 84720  
Telephone (435) 586-2401  
[www.ut.blm.gov/cedar\\_city/](http://www.ut.blm.gov/cedar_city/)

cc: Doug Butth



5/021/032

**In Reply Refer To:**  
UT-042  
3600: UTU-79327-A3

November 29, 2006

Mr. Lonny Hafen  
Color Country Rock, LLC  
115 South Main  
Veyo, Utah 84782

RECEIVED

DEC 04 2006

DIV. OF OIL, GAS & MINING

Dear Mr. Hafen:

Thank you for your letter of November 7, 2006, requesting a new sales contract to continue quarrying operations on BLM-managed lands at the Rhyolite #1 Quarry, located three miles west / southwest of Beryl Jct., Iron County, Utah. The existing operations at the quarry were previously authorized by BLM through sales contract UTU-79327-A2, which expired on July, 30, 2006, and State of Utah, Division of Oil, Gas, and Mining (DOGM) small mine permit S/021/032.

In your letter, you request a new materials sales contract to continue quarrying operations for an additional five years at the site to remove 2,000 tons of altered rhyolite to be marketed as landscaping rock. You also provided the necessary cost-recovery processing fee of \$500.00.

Enclosed is a new sales contract to authorize continued operations at the Rhyolite #1 Quarry. The contract was prepared for the requested contract period and tonnage. The contract is subject to the enclosed stipulations and operating standards and the contract area is limited to that depicted on the enclosed map, encompassing 3.5 acres. The reclamation bond of \$15,000, held by DOGM, will need to be maintained throughout the contract period or until satisfactory reclamation has been completed on the site. Should it be necessary to incorporate additional areas to this contract area, you will need to apply for a change in writing and receive approval from this office in advance of any changes.

The royalty rate of the contracted material is \$1.00/ton and the entire contracted amount must be purchased in advance of any removals. To activate the contract you will need to sign the enclosed contract and return the original to this office along with a check for \$2,000.00 made out to the BLM.

Should you have any questions, please contact Ed Ginouves of my staff at 435-865-3040.

Sincerely,

  
Randy M. Trujillo  
Chief, Non-Renewable Resources

Enclosure: UTU-79327-A3 Contract Documents  
cc: Doug Jensen, DOGM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**CONTRACT FOR THE SALE OF MINERAL MATERIALS**

FORM APPROVED  
OMB NO. 1004-0103  
Expires: February 28, 2005

Office  
**Cedar City Field Office**  
Contract Number  
**UTU-79327**

The UNITED STATES OF AMERICA acting through the Bureau of Land Management (BLM), and Color Country Rock, LLC  
you, the purchaser, make this AGREEMENT, under the authority of the Act of July 31, 1947  
(61 Stat. 681), as amended at 30 U.S.C. 601 through 604, and the regulations at 43 CFR, Group 3600.

We agree:

**Sec. 1. Contract area** - Under the terms and conditions of this contract, the United States sells to you and you buy the mineral materials listed in Section 2 and contained in the following lands as shown on the map and mining plan attached to this contract:

COUNTY	STATE	TOWNSHIP	RANGE	SECTION	ALIQUOT PARTS	MERIDIAN	ACREAGE
Iron	Utah	35 S.	17 W.	35	SWSE	SLPM	NTE 3.5 acres

**Sec. 2. Amount and price of materials** - The United States determines the total purchase price by multiplying the total quantity of each kind of mineral material designated by the unit price given below, or as changed through reappraisal.

KIND OF MATERIALS	QUANTITY (Units Specified)	PRICE PER UNIT	TOTAL PRICE
Altered Rhyolite Material to be processed and marketed as decorative groundcover	2,000 tons	\$1.00/ton	\$2,000.00
TOTAL			\$2,000.00

BLM's determination of the amount of materials that you have taken under the contract is binding on you. You may appeal this determination as provided in Section 19.

You are liable for the total purchase price, even if the quantity of materials you ultimately extract is less than the amount shown above. You may not mine more than the quantity of materials shown in the contract.

**Sec. 3. Payments, title, and reappraisals** - You may not extract the materials until you have paid in advance for them in full \$ 2,000.00, or paid the first installment of \$ \_\_\_\_\_

☒ **If you pay in full in advance, BLM will check this box, and Subsections 3(a) through 3(c) do not apply to your contract. You must pay in full for all sales of \$2,000 or less.**

(a) If you pay in installments, you must pay the first installment before BLM approves the contract.

(b) Once you start removing material, you must pay each subsequent installment payment monthly in an amount equal to the value of materials removed in the previous month. Payment must be made by the 15th day following the end of the month for which you are reporting. You must pay the total purchase price not later than 60 days before the contract expires.

(c) The United States will retain the first installment as security for your full and faithful performance and will apply it to the last installment required to make the total payment equal to the total price given in Section 2.

The total purchase price equals the sum of the total quantities removed, multiplied by their respective unit prices.

If you are late making an installment payment, you **must not** remove any more material until you have paid. Removing material you have not paid for is trespass, and for trespass you **must** pay at triple the appraised unit price, or at triple the reappraised unit price if BLM has made a reappraisal. To resume removal operations after you were late making payments, you **must** obtain BLM's written approval.

(d) You receive title to the mineral materials only after you have paid for them and extracted them.

**Sec. 4. Risk of loss** - You assume complete risk of loss for all materials to which you have title. If material covered by this contract is damaged or destroyed before title passes, you are liable for all loss suffered if you or your agents are directly or indirectly responsible for the damages. If you are not responsible for the damage or destruction, you are liable only to the extent that the loss was caused by your failure to remove the material under the terms of this contract. You are still liable for breach of contract or any wrongful or negligent act.

**Sec. 5. Liability for damage to materials not sold to you** - You are liable for loss or damage to materials not sold to you if you or your agents are directly or indirectly responsible for the damage or loss. You are also liable if you fail to perform under the contract according to BLM's instructions and the United States incurs costs resulting from your breach of any contract term or your failure to use proper conservation practices. If the damage resulted from willful or gross negligence, you are liable for triple the appraised value of the damaged or destroyed materials. If the damage or destruction did not result from willful or gross negligence, you are liable for lesser charges, but not less than the appraised value of the materials.

**Sec. 6. Stipulations and reserved terms** - Your rights are subject to the regulations at 43 CFR Group 3600 and to any stipulations and the mining plan attached to this contract.

☒ **BLM will check this box if there are stipulations attached to this contract.**

**Sec. 7. Notice of operations** - You **must** notify BLM immediately when you begin and end operations under this contract. If BLM has specified a time frame for notification, you **must** comply with that time frame.

**Sec. 8. Bonds** - (a) You **must** furnish BLM with a bond in the amount of \$ 15,000.00 as a condition of issuing this contract.

(b) If you do not perform all terms of the contract, BLM will deduct an amount equal to the damages from the face amount of the bond. If the damages exceed the amount of the bond, you are liable for the excess. BLM will cancel the bond or return the cash or U.S. bonds you supplied when you have completed performance under this contract.

(c) BLM will require a new bond when it finds any bond you furnish under this contract to be unsatisfactory.

**Sec. 9. Assignments** - You may not assign this contract without BLM's written approval.

**Sec. 10. Modification of the Approved Mining or Reclamation Plan.** You or BLM may initiate modification of these plans to adjust for changed conditions, or to correct any oversight. The conditions for BLM requiring you to modify these plans, or approving your request for modification are found in the regulations at 43 CFR 3601.44.

**Sec. 11. Expiration of contract** - This contract will expire 5 years, 0 months, 0 days from its        date, BLM extends the        or renews the contract.

☐ **BLM will check this box if this contract is a renewable competitive contract.**

**Sec. 12. Renewal of renewable competitive contract.** BLM will renew your contract if you apply in writing no less than 90 days before your renewable competitive contract expires and you meet the conditions in the regulations at 43 CFR 3602.47.

**Sec. 13. Violations and cancellations.** (a) If you violate any terms or provisions of this contract, BLM may cancel your contract following the regulations at 43 CFR 3601.60 et seq., and recover all damages suffered by the United States, including applying any advance payments you made under this contract toward the payment of the damages.

(b) If you extract any mineral materials sold under this contract during the suspension period, or after the contract has expired or been canceled, you have committed, and may be charged with, willful trespass.

**Sec. 14. Responsibility for damages suffered or costs incurred by the United States.** If you, your contractors, subcontractors or employees breach this contract or commit any wrongful or negligent act, you are liable for any resulting damages suffered or costs incurred by the United States. You **must** pay the United States within 30 days after receiving a written demand from BLM.

**Sec. 15. Extensions of time.** BLM may grant you an extension of time in which to comply with contract provisions under the regulations at 43 CFR 3602.27. For contracts with terms over 90 days, you **must** apply in writing no less than 30 or more than 90 days before your contract expires. For contracts with terms of 90 days or less you **must** apply no later than 15 days before your contract expires.

**Sec. 16. Time for removing personal property.** You have 90 days (not to exceed 90) from the date this contract expires to remove your equipment, improvements, and other personal property from United States lands or rights-of-way. You may leave in place improvements such as roads, culverts, and bridges if BLM consents. Any property remaining after this period ends becomes the property of the United States, but you will remain liable for the cost of removing it and restoring the site.

**Sec. 17. Equal opportunity clause** - The actions you take in hiring **must** comply with the provisions of Executive Order No. 11246 of Sept. 24, 1965, as amended, which describe the non-discrimination clauses. You may get a copy of this order from BLM.

Sec. 18. *Effective date.* This contract becomes effective as indicated below.

☐ If this contract becomes effective on the date BLM signs the contract, BLM will check this box.

☒ If this contract becomes effective only after certain conditions are met, BLM will check this box, list the conditions below, and indicate the effective date.

Contract effective on payment of royalty in full.

Sec. 19. *Appeal.* You may appeal any decision that BLM makes in regard to this contract under Parts 4 and 1840 of Title 43 of the Code of Federal Regulations.

The following parties have executed this contract as of

PURCHASER

THE UNITED STATES OF AMERICA

(Individual or Firm Name)

By \_\_\_\_\_

(Address)

(Authorized Officer)

(Phone Number - include area code)

(Title)

(Signature)

(Date)

(Signature)

If you are a corporation, affix corporate seal here:

Title 18 U.S.C 1001, makes it a crime for any person knowingly or willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction, subject to a fine of up to \$10,000 and imprisonment up to 5 years.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM is collecting this information to process your application and effect a binding contract.

BLM will use this information to identify and communicate with applicants.

You must respond to this request to get a benefit.

A federal agency may not conduct or sponsor, and you are not required to respond to, an information collection which does not have a currently valid OMB control number.

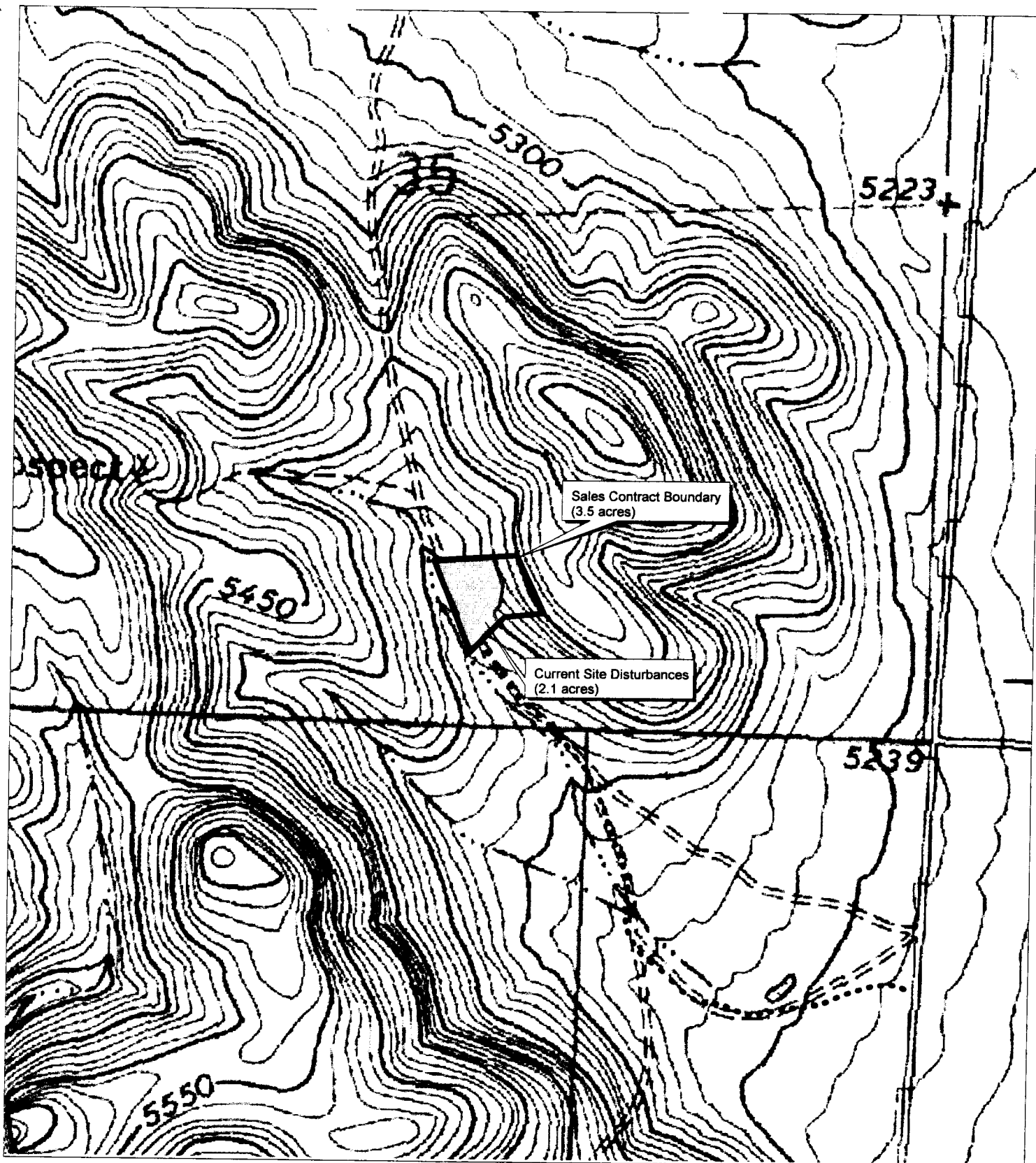
AUTHORITY: 30 U.S.C. 601 *et seq.*; 43 CFR 3600

PRINCIPAL PURPOSE: BLM uses this information to identify the parties entering into contracts for disposing of mineral materials.

ROUTINE USES: BLM will transfer information from the record or the record itself to appropriate federal, state, local, or foreign agencies, when relevant to criminal, Civil, or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: If you do not provide this information to BLM, we will not be able to process your application for a contract.

BLM estimates the public reporting burden for this form at an average of 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Information Collection Clearance Officer, (1004-0103), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240



Project: Rhyolite No. 1 Quarry  
 Sales Contract  
 Operator: Color Country Rock, LLC  
 BLM File: UTU-79327-A3  
 DOGM File: S/021/032  
 Date Mapped: October 5, 2005  
 Notes: Quarry operation for decorative rock.  
 Sales contract period: Jan.2007- Dec. 2012  
 Contract tonnage: 2,000 tons

Base Map: USGS Beryl Jct. 7.5' quad  
 Iron County, T. 35 S., R. 17 W., sec. 35  
 BLM Oct. 2003 Aerial Photography

UTU-79327-A3 Contract Area.shp  
 Site Disturbances (Nov. 2006).shp  
 Roads.shp



Scale 1: 6,000  
 1"= 500'



**Special Stipulations for Material Sales Contract: UTU-79327-A3**

1. This contract serves as a renewal of a previously issued contract (UTU-79327-A2), which was issued for the period of 8/1/2003 through 7/30/2006. The contract period for A3 is five years from Jan. 1, 2007 through Dec. 31, 2012.
2. All mineral material removed from the contract area is subject to royalty payment. Royalty due for the UTU-79327-A3 contract (2,000 tons of raw rock) has been paid in advance, in full. Any removals in excess of this amount will be subject to additional royalty payments.
3. The permittee, and/or its designated operator, will maintain records of all material hauled or sold from the site. A production summary of all material produced and hauled from the site must be submitted by the end of the permit year covering the preceding year's production. The annual production period will run from January 1 through December 31.
4. The reclamation bond of \$15,000 currently in place must remain in place for the duration of the contract period.
5. The operating area covered by this contract is limited to the area depicted on the attached site map. The permittee, or their designated operator, must obtain written approval from the BLM Cedar City Field Office before the operating area changes from the area shown on the site map.
6. The permittee is required to monitor the site for noxious weeds at least once annually. The permittee is responsible for controlling all outbreaks of noxious weeds at the site.

**BLM - Cedar City Field Office**  
**Reclamation standards for mineral material sales and free-use permits**

1. At the earliest feasible time, the operator will reclaim the area disturbed. Reclamation will include reasonable measures to prevent or control on-site and off-site damage of public lands.
2. Reclamation will include but not be limited to:
  - a. Controlling erosion, landslides, and water runoff;
  - b. Isolating, removing, or controlling toxic materials;
  - c. Reshaping disturbed areas, applying topsoil and revegetating;
  - d. Controlling noxious weeds invading the site; and
  - e. Rehabilitating wildlife habitat.
3. Access roads, unless otherwise approved by the authorized officer, will be closed by reshaping the disturbed area to near original contours, scarifying where compaction prevents seed covering, and revegetating with the mixture determined by the authorized officer. Waterbars will be placed on steep inclines and access blocked to future vehicular traffic.
4. Unless otherwise approved in the permit, all high walls, pits or material piles will be recontoured to slopes not steeper than 3:1 and revegetated using the recommended mixture.
5. Seeding of disturbed areas will be done between October 15 and December 15. Seed should not be placed on top of deep snow. Seedbeds will be prepared to a depth of 6 inches by ripping, discing, or harrowing. Seed will be planted with a rangeland or farm drill or broadcast seeded. If broadcast seeded, the seed will be harrowed or raked 1/4 to 1/2 inch into the soil. The seed amount will be doubled if the area is broadcast seeded. The recommended seed mixture to be used will be determined by the authorized officer.
6. All hazardous materials or substances produced by the operation will be disposed of in accordance with applicable federal and state laws. All waste, debris, buildings and materials will be removed from the site and deposited at appropriate waste facilities.
7. Additional reclamation requirements may be needed on a case-by-case basis. These additional requirements will be issued by the authorized officer after consultation with the operator.
8. The authorized officer will be notified within 10 days of final reclamation.

**BLM - Cedar City Field Office**  
**Standard stipulations for mineral materials sales contracts and free-use permits**

1. All topsoil will be removed and stockpiled on-site prior to removal of mineral materials. No trees will be removed without permission from the authorized officer.
2. All materials such as human waste, garbage, petroleum products and equipment will be removed from the site. No hazardous materials will be allowed on-site.
3. All fences, land improvements and survey monuments will be avoided. The permittee will be responsible for the resurvey and restoration of any improvements or survey monuments obliterated during operations.
4. Periodic reviews of the site would be made over the life of the permit to determine potential use by special status species. If found, appropriate mitigation would be applied, which could include closure/cancellation of the permit. A special status species survey would be required before any site reclamation activities are initiated.
5. Wildlife, wild horses and livestock will not be harassed or harmed.
6. Any cultural resources encountered will be immediately reported to the Bureau of Land Management. Operations will cease upon discovery of any cultural material. Operations will not resume until the material has been analyzed and additional clearance granted.
7. No blasting is allowed without permission from the authorized officer.
8. No work should be done under wet soil conditions when ruts of three inches or deeper result from road use. The permittee will be responsible for reclamation of roads used under these conditions.
- 9.. Traffic will be restricted to existing roads unless permission is obtained from the authorized officer. No new roads will be permitted without prior authorization.
10. The permittee will be responsible for the safety of the public entering the area during operations. This may include such things as temporary barricades around the area being excavated during operations. BLM will not be responsible for accidents which occur on public land.
11. Noxious weeds, as determined by the Utah Commissioner of Agriculture and Weed Board for the applicable county, shall be controlled by the permittee. Target species include, but are not limited to, Scotch thistle, knapweed and whitetop.
12. No materials may be sold or bartered to other agencies or individuals. No permission may be granted to any other agency or individual to remove materials from the permit area.
13. Mineral materials will not be removed prior to issuance of a free use permit or after the permit has expired. It is the responsibility of the permittee to initiate permit re-issuance if continued removal from an expired permit is desired.
14. Only the amount of mineral materials stipulated in the contract will be removed. The removal of any additional material will be considered a trespass action.
15. The permittee will keep a log of every time mineral materials are removed and the amount removed. This log may be inspected by BLM personnel at any time. A copy of the log will be supplied to the BLM at the end of the permit or on a yearly basis, whichever comes first.
16. All regulations stated in 43 CFR 3600 will be followed or the permit will be revoked.
17. These standard operating procedures and a copy of the contract will be kept with the permittee during operations.